

**VILLAGE OF RINGWOOD  
MCHENRY COUNTY, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**APRIL 30, 2019**

VILLAGE OF RINGWOOD  
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## INDEPENDENT AUDITOR'S REPORT

December 23, 2019

To the President and Board of Trustees  
Village of Ringwood  
P.O. Box 750  
Gurnee, Illinois 60031

We have audited the accompanying basic financial statements of the governmental activities of the Village of Ringwood (the Village), as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Village, as of April 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Statements of Revenues, Expenditures and Changes in Fund Balance-Appropriations and Actual for the General, Park, Street and Bridge, Motor Fuel Tax and Annexation Fee Funds be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Jwanthuber & Co.*

Certified Public Accountants

**VILLAGE OF RINGWOOD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Village of Ringwood (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2019.

**FINANCIAL HIGHLIGHTS**

- The assets of the Village exceeded its liabilities and deferred inflows of resources at April 30, 2019 by \$7,383,604 (net position). Unrestricted net position, which are assets not already restricted for specific purposes and may be used to meet the Village's ongoing obligations to citizens and creditors, were \$479,910 at April 30, 2019.
- The Village's total net position decreased by \$515,307. This decrease was mainly due to highway and streets and depreciation expense on capital assets.
- At April 30, 2019, the Village's governmental funds reported combined ending fund balances of \$512,582, a decrease of \$315,229 in comparison with the prior year. This decrease was largely due to highway and streets and capital outlay expenditures.
- At April 30, 2019, the unassigned fund balance for the General Fund was \$432,314.
- The Village long-term debt increased by \$125,300 during the current fiscal year due issuance of park loan.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, highways and streets, parks and recreation, and development. The Village does not have any business-type activities.

The government-wide financial statements can be found on pages 8 and 9 of this report.

**Fund financial statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains five individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Park, Street and Bridge, Motor Fuel Tax, and Annexation Fee Funds, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs.

The basic fiduciary fund financial statement can be found on page 14 of this report.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 15 through 24 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in meeting its obligation to provide as fully adequate as possible services to its citizens.

The Village adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for each of the funds to demonstrate compliance with this budget.

Required supplementary information can be found on pages 25 through 31 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities and deferred inflows of resources by \$7,383,604 at April 30, 2019.

By far the largest portion of the Village's net position (93 percent) reflects its investment in capital assets (e.g., land, buildings, land improvements, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Village of Ringwood's Net Position

	Governmental Activities	
	4/30/2019	4/30/2018
<b>ASSETS</b>		
Current and Other Assets	\$ 666,592	\$ 943,697
Capital Assets	6,956,322	7,031,100
Total Assets	<u>\$ 7,622,914</u>	<u>\$ 7,974,797</u>
<b>LIABILITIES</b>		
Long-Term Liabilities Outstanding	\$ 125,300	\$ -
Other Liabilities	58,559	21,759
Total Liabilities	<u>\$ 183,859</u>	<u>\$ 21,759</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Property Taxes	\$ 55,451	\$ 54,127
Total Deferred Inflows of Resources	<u>\$ 55,451</u>	<u>\$ 54,127</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 6,831,022	\$ 7,031,100
Restricted	72,672	83,524
Unrestricted	479,910	784,287
Total Net Position	<u>\$ 7,383,604</u>	<u>\$ 7,898,911</u>

An additional portion of the Village's net position (1 percent) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position, which are assets that may be used to meet the Village's ongoing obligations to citizens and creditors, were \$479,910 at April 30, 2019.

The Village's net position decreased by \$515,307 during the year ended April 30, 2019. This decrease is mainly due to highway and streets and depreciation expense on capital assets.

**Governmental activities** - Governmental activities decreased the Village's net position by \$515,307. Key elements of this decrease are as follows:

Village of Ringwood's Change in Net Position

	Governmental Activities	
	FY 2019	FY 2018
<b>Revenues:</b>		
<b>Program Revenues:</b>		
Charges for Services	\$ 32,031	\$ 47,282
<b>General Revenues:</b>		
Property Taxes	108,561	106,744
Other Taxes	193,851	214,991
Unrestricted Investment Earnings	3,085	2,175
Grants and Contributions not		
Restricted to Specific Programs	27,700	4,650
Other	145,454	3,169
Total Revenues	<u>\$ 510,682</u>	<u>\$ 379,011</u>
<b>Expenses:</b>		
General Government	\$ 109,380	\$ 73,434
Highways and Streets	745,709	447,904
Parks and Recreation	49,893	27,432
Development	103,096	39,053
Interest and Fees on Long-Term Debt	4,139	-
Depreciation - Unallocated	13,772	12,881
Total Expenses	<u>\$ 1,025,989</u>	<u>\$ 600,704</u>
Increase/(Decrease) in Net Position	\$ (515,307)	\$ (221,693)
Net Position - Beginning	7,898,911	8,281,595
Net Position Adjustment	-	(160,991)
Net Position - Ending	<u>\$ 7,383,604</u>	<u>\$ 7,898,911</u>



## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

At April 30, 2019, the Village's governmental funds reported combined ending fund balances of \$512,582, a decrease of \$315,229 in comparison with the prior year.

The General Fund is the chief operating fund of the Village. At April 30, 2019, unassigned fund balance of the General Fund was \$432,314. The fund balance of the Village's General Fund decreased by \$147,484 during the year ended April 30, 2019. This decrease was due in part to capital outlay expenditures.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Village approved the appropriations ordinance on May 15, 2018 for the year ended April 30, 2019.

Significant differences between appropriations and actual expenditures are summarized as follows:

- The difference between appropriated revenues and actual revenues was \$172,348 (favorable) and was mainly due to an increase in other income and donations.
- The difference between appropriated expenditures and actual expenditures was \$1,888,818 (favorable). This difference was mostly due to less than expected expenditures for:
  - capital outlays
  - highways and streets due to lack of funding sources
  - public safety due to lack of funding sources
  - other miscellaneous expenditures due to the Village monitoring expenditures

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets** - The Village's investment in capital assets for its governmental activities as of April 30, 2019 amounts to \$6,956,322 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, land improvements, equipment, and infrastructure. The total decrease in the Village's investment in capital assets for the year ended April 30, 2019 was \$74,768 (1.1 percent).

Major capital asset events during the year ended April 30, 2019 were:

- Depreciation expense of \$272,869.
- Purchases of fixed assets totaling \$198,091 which consisted of a pump house, a new well, tennis court, playground, 2 signs, and an ice rink.

Village of Ringwood's Capital Assets  
(Net of Accumulated Depreciation)

	Governmental Activities	
	4/30/2019	4/30/2018
Land	\$ 428,194	\$ 428,194
Buildings	431,104	392,477
Land Improvements	201,188	107,365
Equipment	157,175	126,319
Infrastructure	5,738,661	5,976,745
Total	<u>\$ 6,956,322</u>	<u>\$ 7,031,100</u>

Additional information on the Village's capital assets can be found in note 6 on page 21 of this report.

**LONG-TERM DEBT**

At April 30, 2019, the Village had total debt outstanding of \$125,300.

	Governmental Activities	
	4/30/2019	4/30/2018
Park Loan	\$ 125,300	\$ -
Total	<u>\$ 125,300</u>	<u>\$ -</u>

The Village's total debt increased by \$125,300 during the year ended April 30, 2019. The key factor in the increase was a park loan of \$130,000.

Additional information on the Village's long-term debt can be found in note 7 on page 22 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S APPROPRIATION AND RATES**

There are no significant economic factors affecting the appropriation for the 2020 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Ringwood, 6000 Barnard Mill Rd., Ringwood, IL 60072.

## BASIC FINANCIAL STATEMENTS

VILLAGE OF RINGWOOD  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 APRIL 30, 2019

	Governmental Activities	Total
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 314,162	\$ 314,162
Receivables (Net of Allowance of \$0)		
Accounts Receivable	1,916	1,916
Property Taxes	110,903	110,903
Due from Other Governmental Units	48,436	48,436
Miscellaneous Receivable	40,000	40,000
Other Receivable	143,579	143,579
Prepaid Items	7,596	7,596
Capital Assets		
Land	428,194	428,194
Other Capital Assets, Net of Depreciation	6,528,128	6,528,128
Total Assets	\$ 7,622,914	\$ 7,622,914
<b>LIABILITIES</b>		
Accounts Payable	\$ 56,025	\$ 56,025
Payroll Liabilities	2,534	2,534
Non-Current Liabilities		
Due Within One Year	6,499	6,499
Due in More Than One Year	118,801	118,801
Total Liabilities	\$ 183,859	\$ 183,859
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Property Taxes	\$ 55,451	\$ 55,451
Total Deferred Inflows of Resources	\$ 55,451	\$ 55,451
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 6,831,022	\$ 6,831,022
Restricted for:		
Highways and Streets	72,672	72,672
Unrestricted	479,910	479,910
Total Net Position	\$ 7,383,604	\$ 7,383,604

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF RINGWOOD  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED APRIL 30, 2019

		Program Revenues	Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Governmental Activities	Total
Functions/Programs				
Governmental Activities				
General Government	\$ 109,380	\$ 8,457	\$ (100,923)	\$ (100,923)
Highways and Streets	745,709	-	(745,709)	(745,709)
Parks and Recreation	49,893	-	(49,893)	(49,893)
Development	103,096	23,574	(79,522)	(79,522)
Interest and Fees on Long-Term Debt	4,139	-	(4,139)	(4,139)
Depreciation - Unallocated	13,772	-	(13,772)	(13,772)
Total Governmental Activities	<u>\$ 1,025,989</u>	<u>\$ 32,031</u>	<u>\$ (993,958)</u>	<u>\$ (993,958)</u>
General Revenues				
Taxes				
Property Taxes			\$ 108,561	\$ 108,561
Sales Tax			50,534	50,534
State Income Tax			75,466	75,466
State Use Tax			25,418	25,418
State Video Gaming Tax			21,048	21,048
Motor Fuel Tax			21,385	21,385
Unrestricted Investment Earnings			3,085	3,085
Unrestricted Contributions			27,700	27,700
Other Income				
Other			145,454	145,454
Total General Revenues			<u>\$ 478,651</u>	<u>\$ 478,651</u>
Change in Net Position			\$ (515,307)	\$ (515,307)
Net Position - Beginning of Year			7,898,911	7,898,911
Net Position - End of Year			<u>\$ 7,383,604</u>	<u>\$ 7,383,604</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF RINGWOOD  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 AS OF APRIL 30, 2019

	General Fund	Park Fund	Street and Bridge Fund	Motor Fuel Tax Fund	Annexation Fee Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 254,994	\$ -	\$ -	\$ 59,168	\$ -	\$ 314,162
Receivables (Net of Allowances of \$0)						
Accounts Receivable	1,916	-	-	-	-	1,916
Property Taxes	87,695	-	23,208	-	-	110,903
Due from Other Governmental Units	46,536	-	-	1,900	-	48,436
Other	143,579	-	-	-	-	143,579
Prepaid Items	7,596	-	-	-	-	7,596
Total Assets	<u>\$ 542,316</u>	<u>\$ -</u>	<u>\$ 23,208</u>	<u>\$ 61,068</u>	<u>\$ -</u>	<u>\$ 626,592</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets and Deferred Outflows of Resources	<u>\$ 542,316</u>	<u>\$ -</u>	<u>\$ 23,208</u>	<u>\$ 61,068</u>	<u>\$ -</u>	<u>\$ 626,592</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 56,025	\$ -	\$ -	\$ -	\$ -	\$ 56,025
Payroll Liabilities	2,534	-	-	-	-	2,534
Total Liabilities	<u>\$ 58,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,559</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Property Taxes	\$ 43,847	\$ -	\$ 11,604	\$ -	\$ -	\$ 55,451
Total Deferred Inflows of Resources	<u>\$ 43,847</u>	<u>\$ -</u>	<u>\$ 11,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,451</u>
<b>FUND BALANCES</b>						
Nonspendable						
Prepaid Items	\$ 7,596	\$ -	\$ -	\$ -	\$ -	\$ 7,596
Restricted						
Highways and Streets	-	-	11,604	61,068	-	72,672
Unassigned	432,314	-	-	-	-	432,314
	<u>\$ 439,910</u>	<u>\$ -</u>	<u>\$ 11,604</u>	<u>\$ 61,068</u>	<u>\$ -</u>	<u>\$ 512,582</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 542,316</u>	<u>\$ -</u>	<u>\$ 23,208</u>	<u>\$ 61,068</u>	<u>\$ -</u>	<u>\$ 626,592</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF RINGWOOD  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 APRIL 30, 2019

Total Fund Balances - Governmental Funds	\$	512,582
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Some assets are not due and receivable in the current period and therefore are not reported in the funds.</p>		
Miscellaneous Receivable		40,000
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets, net of accumulated depreciation		6,956,322
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Notes Payable		<u>(125,300)</u>
Net Position of Governmental Activities	\$	<u><u>7,383,604</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF RINGWOOD  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED APRIL 30, 2019

	General Fund	Park Fund	Street and Bridge Fund	Motor Fuel Tax Fund	Annexation Fee Fund	Total Governmental Funds
<b>REVENUES</b>						
Local Taxes						
Property Taxes	\$ 85,649	\$ -	\$ 22,912	\$ -	\$ -	\$ 108,561
Intergovernmental						
Sales Tax	50,534	-	-	-	-	50,534
State Income Tax	75,466	-	-	-	-	75,466
State Use Tax	25,418	-	-	-	-	25,418
State Video Gaming Tax	21,048	-	-	-	-	21,048
Motor Fuel Tax	-	-	-	21,385	-	21,385
Other Local Sources						
Interest	1,548	6	240	276	1,015	3,085
Licenses and Fees	8,457	-	-	-	-	8,457
Building Permits	23,574	-	-	-	-	23,574
Donations	27,700	-	-	-	-	27,700
Miscellaneous						
Other	145,454	-	-	-	-	145,454
	<u>\$ 464,848</u>	<u>\$ 6</u>	<u>\$ 23,152</u>	<u>\$ 21,661</u>	<u>\$ 1,015</u>	<u>\$ 510,682</u>
<b>EXPENDITURES</b>						
<b>CURRENT</b>						
General Government	\$ 109,380	\$ -	\$ -	\$ -	\$ -	\$ 109,380
Highways and Streets	331,994	-	55,665	-	104,407	492,066
Parks and Recreation	43,238	1,304	-	-	-	44,542
Development	102,992	-	-	-	-	102,992
CAPITAL OUTLAY	145,888	-	-	-	52,203	198,091
DEBT SERVICE						
Principal	4,701	-	-	-	-	4,701
Interest and Fees	4,139	-	-	-	-	4,139
	<u>\$ 742,332</u>	<u>\$ 1,304</u>	<u>\$ 55,665</u>	<u>\$ -</u>	<u>\$ 156,610</u>	<u>\$ 955,911</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (277,484)	\$ (1,298)	\$ (32,513)	\$ 21,661	\$ (155,595)	\$ (445,229)
OTHER FINANCING SOURCES (USES)						
Loan Proceeds	130,000	-	-	-	-	130,000
NET CHANGE IN FUND BALANCES	\$ (147,484)	\$ (1,298)	\$ (32,513)	\$ 21,661	\$ (155,595)	\$ (315,229)
FUND BALANCES - MAY 1, 2018	535,190	1,298	44,117	39,407	207,799	827,811
FUND BALANCE ADJUSTMENT (NOTE 14)	52,204	-	-	-	(52,204)	-
FUND BALANCES - APRIL 30, 2019	<u>\$ 439,910</u>	<u>\$ -</u>	<u>\$ 11,604</u>	<u>\$ 61,068</u>	<u>\$ -</u>	<u>\$ 512,582</u>

The Notes to Financial Statements are an integral part of this statement.



VILLAGE OF RINGWOOD  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCES TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED APRIL 30, 2019

Net Change in Fund Balances - Total Governmental Funds		\$ (315,229)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.</p>		
Depreciation Expense	\$ (272,870)	
Capital Outlays	198,091	
		(74,779)
<p>Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.</p>		
Proceeds from Long-Term Debt		(130,000)
<p>Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.</p>		
Repayment of Long-Term Debt		4,701
Change in Net Position of Governmental Activities		\$ (515,307)

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF RINGWOOD  
FUND FINANCIAL STATEMENTS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
APRIL 30, 2019

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Cash Equivalents	<u>\$        14,948</u>
TOTAL ASSETS	<u><u>\$        14,948</u></u>
LIABILITIES	
Due to Developers	<u>\$        14,948</u>
TOTAL LIABILITIES	<u><u>\$        14,948</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF RINGWOOD  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2019

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Ringwood was incorporated in 1994 under the laws of the State of Illinois. The Village is a municipal corporation governed by an elected seven member board and provides services to its residents in many areas, including parks, streets and bridges, community enrichment and development.

Village of Ringwood's (Village) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the Village are discussed below.

*A. Reporting Entity*

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has determined that they have no component units. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

*B. Basic Financial Statements – Government-Wide Financial Statements*

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, highways and streets, parks and recreation, and development activities are classified as governmental activities. The Village does not have any business-type activities.

In the government-wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions. The functions are also supported by general government revenues (property taxes, sales tax, state income tax, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, highways and streets, parks and recreation, and development). Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property taxes, sales tax, state income tax, unrestricted investment earnings, etc.).

The Village does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

### C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The Village electively made all funds major funds.

#### 1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – The Special Revenue Funds (Park, Street and Bridge, Motor Fuel Tax, and Annexation Fee) are used to account for and report the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

#### 2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and are reported using the full accrual basis of accounting.

The Village's fiduciary fund is presented in the fund financial statements by type (agency). Because by definition these assets are being held for the benefit of a third party (private parties) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

### D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

### 2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule is that principal and interest on general obligation long-term debt and employee vacation and sick leave, if any, are recognized when due and payable.

The Village reports unavailable revenue on its governmental funds Balance Sheet. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. At April 30, 2019 the Village has \$55,451 of unavailable revenue from property taxes.

### E. *Cash and Cash Equivalents and Investments*

Permitted Deposits and Investments - statutes authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which approximates market.

Investments are stated at their fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as incurred. The Village had no investments at April 30, 2019.

Separate bank accounts are not maintained for all Village funds. Instead, the funds maintain their cash balances in a common money market account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Village funds and are, therefore, interfund loans that have not been authorized by Village Board action.

At April 30, 2019, no fund had any cash overdraft which were reclassified as interfund loans.

NOTES TO FINANCIAL STATEMENTS (Continued)

F. *Receivables and Revenue Recognition*

All receivables are reported net of estimated uncollectible amounts.

Property taxes receivable are recognized at the time they are levied. The property tax receivable allowance is equal to 0% of outstanding property taxes at April 30, 2019.

Substantially all other shared revenue is recorded during the period when received by the collecting authority, the State of Illinois.

Income from investments and bank accounts are recognized when earned. Licenses and fees, permits, charges for services, miscellaneous and other revenues are recorded as revenues when received in cash as they are generally not measurable until actually received.

G. *Prepaid Items*

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

H. *Inventories*

It is the Village's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the value of resale or supply items on hand. The value of the Village's inventories is not deemed to be material.

I. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs, including the cost of repaving projects, incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Buildings	47-75 years
Land Improvements	20-50 years
Equipment	5-50 years
Furniture	20 years
Infrastructure	50 years

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective as of April 1, 2005. In addition, the Village has elected to retroactively report infrastructure assets. Infrastructure assets include roads, sidewalks, etc.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### K. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheet(s) and Statement(s) of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

### L. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis, rather than expensed in the current year. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year they occur.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### M. *Government-wide Net Position*

Government-wide net position is divided into three components:

Net Investment in Capital Assets – consists of the historical cost of capital assets less accumulated depreciation reduced by the outstanding balances of bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position – consists of net position that is restricted by the Village's creditors (for example, through debt covenants, by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors (including those who have donated to the Village's parks fund).

Unrestricted Net Position – all other net position is reported in this category.

### N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

Restricted – Restricted fund balances are restricted when constraints are placed on their use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned – Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The Village has not delegated this authority to anyone.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, or debt service fund are assigned for purposes in accordance with the nature of their fund type.

Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Village itself.

Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash. This classification is also used to represent negative fund balances in the Park Fund, Street and Bridge Fund, Motor Fuel Tax Fund and Annexation Fee Fund.

The Village permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

### O. *Property Taxes*

The Village's property tax is levied on January 1 of each year on all taxable real property located in the Village. The 2018 levy was passed by the board on November 20, 2018. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on June 1 and September 1. The Village receives significant distributions of tax receipts within one month after these dates. Property taxes receivable and deferred revenue recorded in these financial statements are from the 2018 tax levy.

### P. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

## **NOTE 2 - DEPOSITS**

Deposits with financial institutions are fully insured or collateralized by securities held in the Village's name.

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.



NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 3 - RESTRICTED NET POSITION**

Restricted net position due to property taxes levied for restricted purposes and unspent Motor Fuel Tax receipts existed at April 30, 2019 in the amount of \$72,672.

**NOTE 4 - DEFICIT FUND BALANCE**

No fund reflected a deficit fund balance as of April 30, 2019.

**NOTE 5 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

No fund had expenditures that exceeded the appropriations ordinance for the year ended April 30, 2019.

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2019 was as follows:

	Balance April 30, 2018	Increases	Decreases	Balance April 30, 2019
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 428,194	\$ -	\$ -	\$ 428,194
Total Capital Assets not being depreciated	<u>\$ 428,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,194</u>
Other Capital Assets:				
Buildings	\$ 520,649	\$ 49,008	\$ -	\$ 569,657
Land Improvements	148,404	98,105	-	246,509
Equipment	167,563	50,978	-	218,541
Infrastructure	11,904,242	-	-	11,904,242
Total Other Capital Assets at Historical Cost	<u>\$ 12,740,858</u>	<u>\$ 198,091</u>	<u>\$ -</u>	<u>\$ 12,938,949</u>
Less Accumulated Depreciation for:				
Buildings	\$ 128,172	\$ 10,381	\$ -	\$ 138,553
Land Improvements	41,039	4,282	-	45,321
Equipment	41,244	20,122	-	61,366
Infrastructure	5,927,497	238,084	-	6,165,581
Total Accumulated Depreciation	<u>\$ 6,137,952</u>	<u>\$ 272,869</u>	<u>\$ -</u>	<u>\$ 6,410,821</u>
Other Capital Assets, Net	<u>\$ 6,602,906</u>	<u>\$ (74,778)</u>	<u>\$ -</u>	<u>\$ 6,528,128</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 7,031,100</u></u>	<u><u>\$ (74,778)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,956,322</u></u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities:</b>	
Highways and Streets	\$ 253,642
Parks and Recreation	5,351
Development	104
Unallocated	13,772
Total Governmental Activities Depreciation Expense	<u><u>\$ 272,869</u></u>

NOTES TO FINANCIAL STATEMENTS (Continued)

**NOTE 7 - LONG-TERM LIABILITY ACTIVITY**

Long-term liability activity for the year ended April 30, 2019 was as follows:

	Balance 5/1/2018	Additions	Retirement	Balance 4/30/2019	Amounts Due Within One Year
<b>Governmental Activities</b>					
Long-Term Debt					
Park Loan	\$ -	\$ 130,000	\$ 4,700	\$ 125,300	\$ 6,499
Total Long-Term Debt	\$ -	\$ 130,000	\$ 4,700	\$ 125,300	\$ 6,499
<b>Total Governmental Activities</b>					
Long-Term Liabilities	\$ -	\$ 130,000	\$ 4,700	\$ 125,300	\$ 6,499

Liabilities payable consist of the following at April 30, 2019:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
<b>Governmental Activities</b>				
Park Loan	7/24/2023	4.25%	\$ 130,000	\$ 125,300

At April 30, 2019 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending April 30	Principal	Interest	Total
2020	\$ 6,499	\$ 5,286	\$ 11,785
2021	6,799	4,987	11,786
2022	7,098	4,688	11,786
2023	7,410	4,376	11,786
2024	97,494	1,041	98,535
	<u>\$ 125,300</u>	<u>\$ 20,378</u>	<u>\$ 145,678</u>

Long-term liabilities are expected to be paid from future general fund revenue sources as well as any future park developer donations.

**NOTE 8 - PROPERTY TAXES**

The unavailable revenue is 50% of the 2018 levy, less allowance. These taxes are deferred as none of the taxes are collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2019. The Village has determined that 50% of the amount levied for the 2018 (\$55,451) levy is allocable for use in fiscal year 2019 and approximately 50% of the amount collected for the 2017 (\$54,127) levy is allocable for use in fiscal year 2019 and are recorded in these financial statements as property taxes revenue. A summary of the assessed valuations, rates and extensions for the years 2018, 2017, and 2016 follows:

TAX YEAR	2018		2017		2016	
ASSESSED VALUATION	\$33,702,811		\$32,257,675		\$29,794,991	
RATES AND EXTENSIONS						
Corporate	<u>0.261106</u>	<u>\$ 87,695</u>	<u>0.266603</u>	<u>\$ 85,483</u>	<u>0.276450</u>	<u>\$ 82,368</u>
Road and Bridge (from McHenry Township)	<u>-</u>	<u>\$ 23,208</u>	<u>-</u>	<u>\$ 22,771</u>	<u>-</u>	<u>\$ 23,229</u>

**NOTE 9 - RETIREMENT COMMITMENTS – SOCIAL SECURITY**

All employees are covered under Social Security. The Village paid \$3,531, the total required contribution for the current fiscal year.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### **NOTE 10 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village is a member of the Illinois Municipal League Risk Management Association (IMLRMA), a joint risk management pool of local governmental units through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Village and IMLRMA is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Village is contractually obligated to make all annual and supplementary contributions for IMLRMA, to report claims on a timely basis, cooperate with IMLRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by IMLRMA. Members have a contractual obligation to fund any deficit of IMLRMA attributable to a membership year during which they were a member.

IMLRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. IMLRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss reduction and prevention procedures to be followed by the members.

During the year ended April 30, 2019, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage. The Village is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended April 30, 2019, there were no significant adjustments in premiums based on actual experience. Settled claims for risks have not exceeded insurance coverage for the past three fiscal years.

### **NOTE 11 - CONTINGENCIES**

The Village is not aware of any pending litigation or potential nondisclosed liabilities that management believes would have a material adverse effect on the financial statements. In response to a claim for lien recorded as a Miscellaneous Receivable, a counterclaim was filed for \$300,000 against the Village for damages. The Village is aggressively defending itself in this litigation and feels that the counterclaim will most likely be defeated. No liability for this claim has been recorded.

### **NOTE 12 - SUBSEQUENT EVENTS**

Management has determined that there were no subsequent events requiring disclosure from the date of the statement of net position through December 23, 2019 which approximates the date the financial statements were available to be issued.

### **NOTE 13 - LEGAL DEBT MARGIN**

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides: ". . . no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1070." The Village's legal debt limitation is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

2018 EAV	\$	33,702,811
Rate		<u>8.625%</u>
Debt Margin	\$	2,906,867
Current Debt		<u>125,300</u>
Remaining Debt Margin	\$	<u><u>2,781,567</u></u>

**NOTE 14 - FUND BALANCE ADJUSTMENT**

In the previous year, the Village recorded the purchase of a truck in the General Fund. This should have been paid out of the Annexation Fund. In the current year, the Village made a fund balance adjustment to correct the previous year's expense as follows:

Adjustments to 4/30/18 balances:

General Fund	\$	52,204
Annexation Fund		<u>(52,204)</u>
	\$	<u><u>-</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF RINGWOOD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2019

	<u>Appropriated Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u> <u>Amounts</u>
<b>REVENUES</b>		
Local Taxes		
Property Taxes	\$ 82,500	\$ 85,649
Intergovernmental		
Sales Tax	58,000	50,534
State Income Tax	74,000	75,466
State Use Tax	20,000	25,418
State Video Gaming Tax	23,000	21,048
Other Local Sources		
Interest	1,000	1,548
Licenses and Fees	6,000	8,457
Building Permits	15,000	23,574
Donations	10,000	27,700
Miscellaneous		
Other	3,000	145,454
<b>Total Revenues</b>	<b>\$ 292,500</b>	<b>\$ 464,848</b>
<b>EXPENDITURES</b>		
<b>CURRENT</b>		
General Government		
Salaries	\$ 40,000	\$ 16,200
Unemployment Insurance	2,000	-
Social Security	3,000	1,004
Medicare	1,000	235
Maintenance Service - Building	25,000	6,914
Maintenance Service - Equipment	15,000	612
Audit	10,000	-
Legal Services	100,000	18,704
County Filing Fees	500	-
Court Reporter	3,500	-
Surveyor Services	3,000	300
Computer Consulting	9,000	4,800
Other Professional Services	20,000	13,688
Postage	1,500	2,573
Telephone	5,000	3,086
Publishing	2,000	382
Printing	10,000	2,713
Dues	3,000	1,353
Travel	1,000	-
Training / Seminars	1,000	-
Utilities - Gas	2,000	-
Garbage Disposal	2,000	-
Utilities - Electric	5,000	4,157
Security Services	3,000	360
Other Service Charges	500	1,017
Internet Service	2,000	849
Liability Insurance - General	20,000	9,918
Transportation	2,000	1,017
Office Supplies	8,000	1,045
Operating Supplies	20,000	10,815
Miscellaneous / Contingency	239,650	7,638
	<b>\$ 559,650</b>	<b>\$ 109,380</b>

See Accompanying Independent Auditor's Report

VILLAGE OF RINGWOOD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2019

	<u>Appropriated Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u> <u>Amounts</u>
EXPENDITURES (Continued)		
CURRENT (Continued)		
Public Safety		
Police Protection Contract	\$ 150,000	\$ -
	<u>\$ 150,000</u>	<u>\$ -</u>
Highways and Streets		
Salaries	\$ 50,000	\$ 13,752
Social Security	4,000	853
Medicare	1,000	199
Maintenance Service - Streets	1,000,000	147,782
Maintenance Service - Snow Removal	25,000	44,201
Maintenance Supplies - Snow Removal	20,000	7,591
Engineering Services	150,000	105,304
Street Lighting	20,000	10,357
Equipment Rental	5,000	1,955
	<u>\$ 1,275,000</u>	<u>\$ 331,994</u>
Parks and Recreation		
Maintenance Service - Parks	\$ 50,000	\$ 35,086
Special Events	15,000	8,152
	<u>\$ 65,000</u>	<u>\$ 43,238</u>
Development		
Salaries	\$ 75,000	\$ 16,202
Social Security	5,000	1,005
Medicare	1,500	235
Building Inspection Service	-	85,550
	<u>\$ 81,500</u>	<u>\$ 102,992</u>
Total Current	<u>\$ 2,131,150</u>	<u>\$ 587,604</u>
CAPITAL OUTLAY	<u>\$ 500,000</u>	<u>\$ 145,888</u>
DEBT SERVICE		
Principal	\$ -	\$ 4,701
Interest and Fees	-	4,139
	<u>\$ -</u>	<u>\$ 8,840</u>
Total Expenditures	<u>\$ 2,631,150</u>	<u>\$ 742,332</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (2,338,650)</u>	<u>\$ (277,484)</u>
OTHER FINANCING SOURCES (USES)		
Transfers	\$ (5,000)	\$ -
Loan Proceeds	-	130,000
	<u>\$ (5,000)</u>	<u>\$ 130,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,343,650)</u>	\$ (147,484)
FUND BALANCE - MAY 1, 2018		535,190
FUND BALANCE ADJUSTMENT (NOTE 14)		<u>52,204</u>
FUND BALANCE - APRIL 30, 2019		<u>\$ 439,910</u>

See Accompanying Independent Auditor's Report

VILLAGE OF RINGWOOD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
SPECIAL REVENUE FUND  
PARK FUND  
YEAR ENDED APRIL 30, 2019

	Appropriated Amounts Original & Final	Actual Amounts
REVENUES		
Other Local Sources		
Interest	\$ 1	\$ 6
Total Revenues	\$ 1	\$ 6
EXPENDITURES		
CURRENT		
Parks and Recreation		
Maintenance Service - Parks	\$ 4,000	\$ 1,304
	\$ 4,000	\$ 1,304
CAPITAL OUTLAY		
Parks and Recreation	\$ 500,000	\$ -
	\$ 500,000	\$ -
Total Expenditures	\$ 504,000	\$ 1,304
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (503,999)	\$ (1,298)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (503,999)	\$ (1,298)
FUND BALANCE - MAY 1, 2018		1,298
FUND BALANCE - APRIL 30, 2019		\$ -

See Accompanying Independent Auditor's Report



VILLAGE OF RINGWOOD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
SPECIAL REVENUE FUND  
STREET AND BRIDGE FUND  
YEAR ENDED APRIL 30, 2019

	<u>Appropriated Amounts</u>	<u>Actual</u>
	<u>Original &amp; Final</u>	<u>Amounts</u>
REVENUES		
Local Taxes		
Property Taxes	\$ 23,500	\$ 22,912
Other Local Sources		
Interest	10	240
Total Revenues	\$ 23,510	\$ 23,152
EXPENDITURES		
CURRENT		
Highways and Streets		
Maintenance Service - Streets	\$ 40,000	\$ 55,665
Maintenance Service - Snow Removal	25,000	-
Maintenance Supplies - Snow Removal	20,000	-
	\$ 85,000	\$ 55,665
Total Expenditures	\$ 85,000	\$ 55,665
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (61,490)	\$ (32,513)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (61,490)	\$ (32,513)
FUND BALANCE - MAY 1, 2018		44,117
FUND BALANCE - APRIL 30, 2019		\$ 11,604

See Accompanying Independent Auditor's Report

VILLAGE OF RINGWOOD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
SPECIAL REVENUE FUND  
MOTOR FUEL TAX FUND  
YEAR ENDED APRIL 30, 2019

	Appropriated Amounts Original & Final	Actual Amounts
REVENUES		
Intergovernmental		
Motor Fuel Tax	\$ 21,000	\$ 21,385
Other Local Sources		
Interest	25	276
Total Revenues	\$ 21,025	\$ 21,661
EXPENDITURES		
CURRENT		
Highways and Streets		
Maintenance Service - Streets	\$ 100,000	\$ -
	\$ 100,000	\$ -
Total Expenditures	\$ 100,000	\$ -
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (78,975)	\$ 21,661
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (78,975)	\$ 21,661
FUND BALANCE - MAY 1, 2018		39,407
FUND BALANCE - APRIL 30, 2019		\$ 61,068

See Accompanying Independent Auditor's Report

VILLAGE OF RINGWOOD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
SPECIAL REVENUE FUND  
ANNEXATION FEE FUND  
YEAR ENDED APRIL 30, 2019

	Appropriated Amounts Original & Final	Actual Amounts
REVENUES		
Other Local Sources		
Interest	\$ 300	\$ 1,015
Total Revenues	\$ 300	\$ 1,015
EXPENDITURES		
CURRENT		
Highways and Streets		
Maintenance Service - Streets	\$ -	\$ 104,407
	\$ -	\$ 104,407
Total Current	\$ -	\$ 104,407
CAPITAL OUTLAY		
Parks and Recreation	\$ 500,000	\$ 52,203
	\$ 500,000	\$ 52,203
Total Expenditures	\$ 500,000	\$ 156,610
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (499,700)	\$ (155,595)
OTHER FINANCING SOURCES (USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (499,700)	\$ (155,595)
FUND BALANCE - MAY 1, 2018		207,799
FUND BALANCE ADJUSTMENT (NOTE 14)		(52,204)
FUND BALANCE - APRIL 30, 2019		\$ -

See Accompanying Independent Auditor's Report

VILLAGE OF RINGWOOD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
APRIL 30, 2019

**NOTE 1 - APPROPRIATIONS**

Appropriations are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for all funds. All annual appropriations lapse at fiscal year-end.

Appropriated expenditures are controlled at the Village Board level. All transfers and any revisions that change the total expenditures not contemplated of any fund must be approved by the Board of Trustees. All appropriation amendments must be approved by the Board of Trustees.

The appropriations ordinance was approved on May 15, 2018.

**NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

No funds presented as Required Supplementary Information had expenditures that exceeded the appropriations ordinance.